

Listing of the Claims

Claims 1-14 (Cancelled).

15. (Previously Presented) A method for exchanging payments, comprising the
5 steps of:
- representing an amount of a consumable item as currency;
 - expending a portion of the currency;
 - preventing the use of a portion of the consumable item in proportion to the
amount of expended portion of currency, thereby creating a collateral security as
 - 10 an encumbrance on the portion of the consumable item;
 - contacting a clearing house to make a payment representing the expended
portion of currency; and
 - after payment, releasing the encumbrance and thereby allowing the use of
the portion of the consumable item.

15

Claims 16-19 (Cancelled).

20. (Previously Presented) A method of exchanging payments, comprising the
steps of:
- 20 purchasing a consumable item;
 - creating a digital cash account for the consumable item having an amount
proportionally related to the amount of the consumable item;
 - acquiring royalty based content that indicates an owner of the content and
the amount of debit charge for using the content;
 - 25 expending a portion of the consumable item wherein the use of the
consumable item to recreate the royalty based content incurs a debit charge;
 - reducing the amount of the digital cash account by the amount of the debit
charge incurred;
 - preventing the use of the consumable item in proportion to the reduced
30 amount of the digital cash account of the consumable item, thereby bartering a
portion of the consumable item for the use of the content; and
 - updating a digital cash account for the owner of the royalty based content
by the amount reduced from the digital cash account for the consumable item.

Claim 21 (Cancelled).

22. (Original) An apparatus including a consumable item using the method of claim 15 to exchange payments.

5

Claim 23 (Cancelled).

24. (Original) An apparatus including a consumable item using the method of claim 20 to exchange payments.

10